

Message Text

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ACTION EA-10

INFO OCT-01 ISO-00 PM-03 NSC-05 SP-02 SS-15 CIAE-00 INR-07

NSAE-00 DODE-00 L-03 H-02 EB-07 MC-02 ACDA-05 TRSE-00

OMB-01 AID-05 /068 W

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R 050853Z AUG 75

FM AMEMBASSY SEOUL

TO SECSTATE WASHDC 1891

INFO CINCPAC

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E.O. 11652: GDS

TAGS: MASS MPOL KS

SUBJECT: ROK FORCES IMPROVEMENT PLAN

CINCPAC FOR POLAD

EA/K PASS AMBASSADOR SNEIDER

1. MINISTER OF DEFENSE SO CHONG-CHOL BRIEFED CHARGE AND POLCOUNS AUGUST 4 ON NEW ROK FIVE YEAR PLAN FOR IMPROVING ARMED FORCES. PLAN INCLUDES PROPOSALS FOR EXPENDITURE OF EXTRA REVENUE TO BE OBTAINED FROM RECENTLY PASSED DEFENSE TAXATION LAW. COMUSK BRIEFED EARLIER ON PLAN.

2. MND, QUOTING US ACDA FIGURES, STATED THAT DURING TEN YEARS 1963-72 NORTH KOREA SPENT \$6.5 BILLION ON DEFENSE WHILE ROK HAS SPENT \$5.3 BILLION (INCLUDING \$2.5 BILLION USAID). MORE IMPORTANT ACCORDING TO MND IS THAT ROK ESTIMATES NORTH HAS INVESTED \$3.2 BILLION IN EQUIPMENT WHILE ROK INVESTED ONLY \$.8 BILLION, THE REST BEING SPENT FOR O&M. (ABOVE FIGURES 1972 CONSTANT DOLLARS). MND ARGUED THAT BECAUSE OF ABOVE DISPARITY IN INVESTMENT SIGNIFICANT INBALANCE IN COMBAT STRENGTH NOW EXISTS IN FAVOR OF NORTH. MND BRIEFING PRESENTED PLAN TO UTILIZE DEFENSE TAX AS CONTINUING SOURCE OF FUNDS TO REPLACE
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DECLINING US GRANT AID AND SUPPLEMENT FMS CREDIT IN ORDER TO OVERCOME NORTH'S LEAD.

3. FOLLOWING IS SIGNIFICANT PORTION IMPROVEMENT PLAN TAKEN

FROM TEXT MND BRIEFING:

BEGIN QUOTE:

LAST MONTH, ROK NATIONAL ASSEMBLY PASSED "DEFENSE TAXATION BILL", AND WE ARE DEVELOPING A PLAN TO FULFILL INVESTMENT COST REQUIREMENT WITH THE DEFENSE TAX FUND.

AT THE MOMENT WE ARE CONTEMPLATING AN ANNUAL INVESTMENT COST OF APPROXIMATELY \$500 MILLION FOR THE NEXT FIVE YEARS UP TO 1980, MAINLY WITH DEFENSE TAX FUND AND SOME WITH OTHER SOURCES, WHICH AMOUNT TO TOTAL OF \$2.6 BILLION MAGNITUDE.

ONE HALF TO TWO-THIRD OF THE TOTAL AMOUNT IS BEING CONSIDERED TO BE SPENT FOR OVERSEA PROCUREMENT, PARTICULARLY FOR US EQUIPMENT AND MATERIAL. HOWEVER, IT WOULD TAKE SOME TIME BEFORE DETERMINING THE EXACT AMOUNT FOR SUCH PURPOSE.

WE BELIEVE THAT YOU ARE FAMILIAR WITH THE TYPES OF PROJECT BEING CONCEIVED FOR THE INVESTMENT COST TO BE MADE AVAILABLE. IN FACT, ALMOST ALL THE PROJECTS ARE LISTED IN THE PRIORITY LIST OF MUTUALLY AGREED MODERNIZATION PROGRAM. ELECTRONIC COMMUNICATION EQUIPMENT AND OTHER MINOR ITEMS ARE BEING CONSIDERED FOR ADDITION TO THE LIST. OTHER THAN SOME CHANGES TO BE MADE IN THE QUANTITIES OF EQUIPMENT ALREADY LISTED, THERE WILL BE NO SIGNIFICANT CHANGES.

MAJOR PROJECTS ASSOCIATED PRIMARILY WITH FORCE IMPROVEMENT PLAN ARE AS FOLLOWS:

DURING THE COURSE OF IMPLEMENTATION OF THE PLAN TILL 1980, EFFORTS WILL BE MADE TO INSURE MAJOR ITEMS OF EQUIPMENT FOR 6 REAR AREA SECURITY DIVISIONS AND FOR 11 HOMELAND DEFENSE RESERVE FORCE DIVISIONS. HOWEVER,
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HDRF DIVISIONS IS AIMED AT UPGRADING TO THE LEVEL OF LIGHT INFANTRY DIVISION WITHOUT 155 HOWITZERS, TANKS, AND ENGINEER EQUIPMENT. HDRF DIVISIONS WILL BE PROVIDED WITH SOME OLD DIVISION EQUIPMENT WHICH WILL EVENTUALLY BECOME EXCESS AS THEY WILL BE REPLACED BY NEW EQUIPMENT BASED ON THE MODERNIZATION PROGRAM.

MAJORITY OF GROUND FORCE EQUIPMENT WILL BE PRODUCED LOCALLY. WHILE 130 NEW TYPE TANKS TO BE LOCALLY MANUFACTURED WILL REPLACE OLD MODEL TANKS OF ACTIVE DIVISIONS, AND THE LATTER WILL BE RETAINED FOR ISSUE TO RR AND RAS DIVISIONS. THE NIGHT FIRING DEVICES WILL BE ATTACHED TO THOSE TANKS ON HAND.

NUMBER OF TOW ANTI-TANK MISSILES FOR 6 COMPANIES HAVE
ALREADY PROGRAMMED AND THE ADDITIONAL TOW MISSILES FOR
4 COMPANIES ARE CONSIDERED TO BE ADDED TO THE PROJECT.

DURING THE COURSE OF IMPLEMENTING THIS FORCE IMPROVEMENT
PLAN, AIR MOBILITY WILL ALSO BE INCREASED BY 100 EACH
UH-1 AND 1 COMPANY EACH OF AH-1 AND CH-47'S.

FOR THE NAVY, MAJOR EFFORT WILL BE MADE TO THE
ACQUISITION OF HIGH SPEED BOATS. AT PRESENT, THE NAVY HAS ON
HAND 10 HIGH SPEED BOATS AND ADDITIONAL 77 BOATS ARE
PLANNED FOR AUGMENTATION. SOME OF THEM HAVE ALREADY BEEN
AGREED UPON BY ROK AND US AUTHORITIES. ALSO INCLUDED
IN THE PLAN ARE DELIVERY OF 5 DESTROYERS, 1 SQUADRON OF
ASW AIRCRAFT AND SOME ASW HELICOPTERS.

AIR FORCE IMPROVEMENT OBJECTIVE IS TOTAL OF ABOUT
400 TACTICAL AIRCRAFT INCLUDING 1 SQUADRON OF F-4D'S NOW
ON LOAN BASIS AND 1 SQUADRON OF F-4E'S, 86 EACH
F-5E/F, 19 F-5B'S EXCLUDING THOSE AIRCRAFT PROVIDED
BY GRANT AID, AND 60 EACH F-X'S AND OTHERS ON HAND.
IN ADDITION TO THE ABOVE AIRCRAFT, AN ADDITIONAL 1
SQUADRON OF TRANSPORT AIRCRAFT AND ANOTHER FOR OV-10
ARE ALSO INCLUDED. IN THE PLAN YOU WILL ALSO FIND
ANTI-AIRCRAFT WEAPONS, ELECTRONIC COMMUNICATION
EQUIPMENT AND MISSILES, ALL OF WHICH ARE ENUMERATED
IN THE PRIORITY LIST OF CURRENT 5 YEAR MODERNIZATION
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PROGRAM.

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NSAE-00 DODE-00 L-03 H-02 EB-07 MC-02 ACDA-05 TRSE-00

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CINCPAC FOR POLAD

AT PRESENT, FUND AVAILABILITY THROUGH DEFENSE TAX IMPLEMENTATION IS ESTIMATED AS 32.6 BILLION, NEVERTHELESS, TOTAL PROJECT REQUIREMENTS (\$4.6 BILLION, ED NOTE) FOR THE PLAN EXCEED THIS AMOUNT TO SOME EXTENT. EXCESSIVE REQUIREMENTS ARE CONSIDERED FOR THE PLAN WITH THE HOPE OF ACQUIRING SOME ITEMS OF EQUIPMENT BY GRANT AID AND EXCESS DEFENSE ARTICLES, AND AT THE SAME TIME TO ALLOW BETTER SELECTION AMONG OPTIONAL ITEMS OF EQUIPMENT THROUGHOUT THE COURSE OF IMPLEMENTATION OF THE PLAN.

ROK FORCE IMPORVEMENT PLAN BASED ON DEFENSE TAX FUND WILL CONTRIBUTE GREATLY TO THE INTEREST OF BOTH ROK AND US, WITHOUT DOUBT, AND FOR THE MAINTENANCE OF PEACE IN KOREAN PENNINSULA AND IN THE FAR EAST. IN RESPONSE TO THE US EXPECTATION AND PERSUASION OF INCREASED ROK GOVERNMENT SHARE FOR THE DEFENSE EXPENDITURE, WE ARE MEANT TO EXERT ALL OUR EFFORTS IN ACHIEVING THE GOALS OF SELF-RELIANT NATIONAL DEFENSE ALONG WITH THE EFFORT FOR OUR ECONOMIC GROWTH.

IN THIS REGARD, WE SOLICIT YOU FOR YOUR DEEP UNDERSTANDING AND POSITIVE SUPPORT FOR OUR EFFORTS TO DEFEND OUR COUNTRY, AND REQUEST YOU TO PROVIDE US WITH
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ADVANCE INFORMATION, FOR OUR PLANNING PURPOSES, CONCERNING US POSITION ON FUTURE GRANT AID, AVAILABILITY OF EXCESS DEFENSE ARTICLES AND FMS CREDIT FUNDS.

OUR PLAN CONTEMPLATES CONSIDERABLE FMS CREDIT FUNDS, AND CLOSE COOPERATION AND TECHNICAL SUPPORT AND RAW MATERIAL SUPPLY FOR THE DEVELOPMENT OF IN-COUNTRY DEFENSE INDUSTRIES. IN THIS RESPECT, WE CONSIDER THE FORTHCOMING SECURITY CONSULTATIVE MEETING IS OF PROFOUND SIGNIFICANCE.
END QUOTE.

4. IN RESPONSE TO QUESTION CONCERNING SOURCE OF FOREIGN EXCHANGE, MINISTER SO SAID NO SPECIFIC DECISIONS HAVE YET BEEN MADE ON AMOUNTS AND SOURCES FOREIGN EXCHANGE. HOWEVER, SO NOTED THAT ECONOMIC MINISTERS ARE AWARE OF PLAN AND ROKG IS "FIRMLY DETERMINED" TO PROVIDE ADEQUATE FOREIGN EXCHANGE FOR FORCE IMPROVEMENT.

5. TEXT OF BRIEFING BEING POUCHED TO DEPARTMENT. EMBASSY/JUSMAGK ANALYSIS OF PLAN WILL FOLLOW.
ERICSON

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